
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): August 2, 2019

Karyopharm Therapeutics Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-36167
(Commission
File Number)

26-3931704
(IRS Employer
Identification No.)

85 Wells Avenue, 2nd Floor
Newton, Massachusetts
(Address of Principal Executive Offices)

02459
(Zip Code)

Registrant's telephone number, including area code: (617) 658-0600

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	KPTI	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On August 2, 2019, the Board of Directors (“Board”) of Karyopharm Therapeutics Inc. (the “Company”), upon the recommendation of the Compensation Committee of the Board (the “Compensation Committee”), approved the Company’s Annual Bonus Plan (the “Plan”), which is designed to align the interests of employees and the Company’s stockholders by providing an opportunity for employees to earn cash-based annual performance bonus awards. As part of the Company’s overall compensation program, the Plan provides an annual cash bonus opportunity for eligible employees (including the Company’s executive officers meeting the eligibility criteria) based on the Company’s performance relative to corporate goals established at the beginning of the year by the Compensation Committee and the employee’s performance relative to such employee’s individual goals. The weighting assigned to corporate and individual performance components vary by level of an employee’s position in the Company. After the end of each plan year (January 1st to December 31st), corporate performance achievement is determined by the Compensation Committee and an employee’s individual performance achievement is determined by a manager or executive (or in the case of an executive officer of the Company, the Board or the Compensation Committee). In determining an employee’s individual performance achievement, qualitative factors related to the Company’s core values and individual performance may also be considered.

The terms of the Plan establish for each eligible employee a target bonus percentage, which is based on the level of the employee as of December 31 of the applicable plan year. A target bonus award for an eligible employee is determined by multiplying the target bonus percentage by the employee’s base salary and then by the quotient of the number of months of bonus eligibility divided by 12. An actual bonus award for an eligible employee is determined by multiplying the employee’s target bonus award by the weighted corporate performance achievement and weighted individual performance achievement. For each plan year, actual bonus awards will generally be paid on or before March 15th of the following year.

The Board may terminate, suspend or modify (and if suspended, may reinstate with or without modification) all or part of the Plan at any time, with or without notice to participants.

The above description of the Plan does not purport to be complete and it is qualified in its entirety by reference to the Plan, a copy of which is attached to this report as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

**Exhibit
Number**

Description of Exhibit

10.1 [Karyopharm Therapeutics Inc. Annual Bonus Plan](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 6, 2019

KARYOPHARM THERAPEUTICS INC.

By: /s/ Christopher B. Primiano
Christopher B. Primiano
Executive Vice President, Chief Business Officer, General Counsel
and Secretary

KARYOPHARM THERAPEUTICS INC. ANNUAL BONUS PLAN

I. Objective

The Karyopharm Therapeutics Inc. (“Karyopharm” or the “Company”) Annual Bonus Plan (the “Plan”) has been established to attract, motivate, and retain employees by promoting and rewarding the achievement of key short-term corporate objectives as well as individual performance and to align the interests of employees and stockholders. Cash-based annual performance bonus awards (“Actual Bonus Awards”) may be granted and earned according to the Plan.

II. Plan Year and Participant Eligibility

A. Plan Year

A Plan Year is defined as the calendar year from January 1 to December 31 (“Plan Year”), although the Plan’s terms will apply through the date Actual Bonus Awards for the applicable Plan Year are paid.

B. Participant Eligibility

To be a participant for any applicable Plan Year, both Criteria #1 and Criteria #2, as defined below, must be met:

Criteria #1: The individual is considered a regular full-time employee of Karyopharm who is regularly scheduled to work 30 or more hours per week and must have been a regular full-time employee as of September 30 of the applicable Plan Year.

Criteria #2: The employee must not be eligible to participate in any other cash incentive plan or program, including any sales commission plan.

Each participant’s Actual Bonus Award shall be prorated based on the number months that the participant met Criteria #1. The number of months that a participant’s Bonus Award shall be prorated (“Months Eligible”) shall be determined by the following guidelines:

- If a participant first meets Criteria #1 on or prior to the fifteenth day of a month prior to September 30, he or she will be eligible for that month’s full bonus accrual.
- If a participant meets Criteria #1 after the fifteenth day of a month prior to September 30, he or she will not be eligible for that month’s full bonus accrual.
- If a participant meets Criteria #1 between October 1 and December 31, the appropriate number of months based on the two preceding guidelines shall be added to the calculation for the participant’s Actual Bonus Award for the following Plan Year.

Examples to determine Months Eligible:

<u>Date Criteria #1 is First Met</u>	<u>Months Eligible</u>
August 1	5
August 18	4
September 20	3
October 15	Zero in applicable Plan Year. If Participant remains eligible, during the <i>following</i> Plan Year, Months Eligible for that Plan Year shall be 15.

For a participant to remain eligible to earn an Actual Bonus Award for a Plan Year, the participant must:

1. Remain an active employee in good standing through the date that Actual Bonus Awards are paid to Participants (“Payout Date”). Determination of whether an employee is in good standing is solely up to the Company on a case by case basis. Examples of reasons an employee may not be considered in good standing include, but are not limited to, an employee resigning prior to the Payout Date with a final date of employment after the Payout Date, or an employee is found to be in violation of their applicable Non-Disclosure, Inventions Assignment, Non-Competition, and Non-Solicitation Agreement; and
2. Achieve 25% or more of the participant’s Individual Performance (as defined below) for the applicable Plan Year.

Other factors, as discussed in *V. Impact of Participant Eligibility*, may affect a Participant’s payout.

III. Target Bonus Percentage and Target Bonus Award Calculation

A. Target Bonus Percentage

Each participant’s Target Bonus Percentage is determined by his or her grade as of December 31 of the applicable Plan Year.

<u>Grade</u>	<u>Target Bonus Percentage</u>
14	50% – 60%
13	40%
12	30%
11	25%
10	20%
7 – 9	15%
1 – 6	10%

B. Target Bonus Award Calculation

A participant’s Target Bonus Award is calculated by multiplying the participant’s annual base salary on December 31 of the applicable Plan Year (“Annual Salary”), Target Bonus Percentage, and Months Eligible out of 12.

Target Bonus Award = Annual Salary x Target Bonus Percentage x (Months Eligible/12)

See *VI. Example to Calculate Target and Actual Bonus Awards*, below.

IV. **Performance Measures and Weighting**

Actual Bonus Awards can be allocated into two components, corporate and individual. The criteria upon which each of these components are measured are described below.

A. Performance Measures

Corporate Component

On or before March 31 of a Plan Year, the Compensation Committee of the Company's Board of Directors (the "Compensation Committee") shall set corporate goals and weight each corporate goal according to its priority and anticipated impact on the Company.

Following the end of a Plan Year, the Compensation Committee has discretion to determine the Company's overall actual corporate performance for that Plan Year as a cumulative percentage of goals achieved ("Corporate Performance"). Partial or excess achievement as compared to the original goal weighting may be determined for each goal, at the discretion of the Compensation Committee.

Individual Component

For each Plan Year, managers and executives of the Company (or in the case of executive officers of the Company, the Board of Directors or the Compensation Committee) shall determine each participant's Individual Performance Goals ("Individual Goals") and weight each goal according to its priority and anticipated impact on the Company.

Following the end of a Plan Year, the managers and executives of the Company (or in the case of executive officers of the Company, the Board of Directors or the Compensation Committee) have discretion to determine the participant's actual individual performance percentage ("Individual Performance") for that Plan Year as a cumulative percentage of Individual Goals. Partial or excess achievement as compared to the original goal weighting may be determined for each goal.

In addition to achievement of Individual Goals, as described above, to determine Individual Performance, managers and executives (or in the case of executive officers of the Company, the Board of Directors or the Compensation Committee) may also consider qualitative factors related to the Company's core values and individual performance.

B. Weighting

The weight of corporate and individual components in the calculation of Actual Bonus Award for each Participant will depend on his or her grade:

Grade	Component Weight	
	Corporate	Individual
14	100%	0%
13	85%	15%
11 – 12	70%	30%
8 – 10	60%	40%
1 – 7	50%	50%

If the Compensation Committee, in its sole discretion, determines that the cumulative percentage of goals achieved does not meet a minimum threshold for payout based on the corporate component, participants may be eligible to receive a payout based on their individual component.

V. Actual Bonus Award Calculation

Actual Bonus Awards for a participant will be calculated by multiplying a participant's Target Bonus Award by the sum of the applicable Corporate and the participant's Individual Performance (adjusted by each applicable weight).

$$\text{Actual Bonus Award} = \text{Target Bonus Award} \times [(\text{corporate weight} \times \text{Corporate Performance}) + (\text{individual weight} \times \text{Individual Performance})]$$

See VI. Example to Calculate Target and Actual Bonus Awards, below.

VI. Example to Calculate Target and Actual Bonus Awards

An example participant's bonus inputs are below:

Annual Base Salary = \$85,000	Target Bonus Percentage = 10%
Bonus Eligibility Date = August 1	Corporate Performance = 95%
Months Eligible = 5	Individual Performance = 90%
Grade = 6	

Target Bonus Award:

$$\text{Target Bonus Award} = \text{Annual Salary} \times \text{Target Bonus Percentage} \times (\text{Months Eligible}/12)$$

$$\begin{array}{ccccccc} \text{Target} & & \text{Annual} & & \text{Target} & & \\ \text{Bonus} & & \text{Base} & & \text{Bonus} & & \\ \text{Award} & & \text{Salary} & & \text{Percentage} & & \\ \hline \$3,542 & = & \$85,000 & \times & 10\% & \times & (5/12) \end{array}$$

Actual Bonus Award:

$$\text{Actual Bonus Award} = \text{Target Bonus Award} \times [(\text{corporate weight} \times \text{Corporate Performance}) + (\text{individual weight} \times \text{Individual Performance})]$$

$$\begin{array}{ccccccc} & & & & \text{Weighted} & & \text{Weighted} \\ & & & & \text{Corporate} & & \text{Individual} \\ & & & & \text{Performance} & & \text{Performance} \\ & & & & \text{Achievement} & & \text{Achievement} \\ & & & & \hline \text{Actual} & & \text{Target} & & \text{Weighted} & & \text{Weighted} \\ \text{Bonus} & & \text{Annual} & & \text{Performance} & & \text{Performance} \\ \text{Award} & & \text{Bonus} & & \text{Achievement} & & \text{Achievement} \\ \hline \$3,276 & = & \$3,542 & \times & [(50\% \times 95\%) & + & (50\% \times 90\%)] \end{array}$$

VII. Impact of Participant Status

A. Terminations

As described above, a participant must remain employed with Karyopharm through the Payout Date in order to receive an Actual Bonus Award for a Plan Year. Therefore, if a participant's employment terminates for any reason prior to the Payout Date, the participant will not be eligible for an Actual Bonus Award, with the following exception:

- If a participant's employment ceases by reason of death prior to the Payout Date, the participant's estate may receive the Actual Bonus Award, if any, that would have been paid had the participant continued to be employed on the Payout Date, and which amount will be paid on the date that Actual Bonus Awards are paid to other plan participants.

B. Changes in Target Bonus Percentage

Participants who are promoted during a Plan Year to a grade with a higher Target Bonus Percentage and/ or different corporate and individual weighting are eligible for the Target Bonus Percentage and weightings for their grade in effect as of December 31st of the Plan Year.

Participants who change grades resulting in a lower Target Bonus Percentage as of December 31 are eligible for a prorated Actual Bonus Award based on the number of months in the Plan Year they were employed in a grade at the higher target percentage plus a prorated Actual Bonus Award based on the number of months in the Plan Year they were employed at the lower Target Bonus Percentage.

C. Changes in Hours

Participants who have a change in their regularly scheduled hours, described above as Criteria #1, will be eligible for a prorated Actual Bonus Award based on the number of weeks that their regularly scheduled weekly hours were 30 hours/week or more.

D. Leaves of Absence

Short-Term Disability, FMLA, and other state-specific family and medical leave acts. Participants will continue to be eligible for an Actual Bonus Award during the period of the leave of absence.

Long-Term Disability ("LTD"), including LTD combined with Workers' Compensation. Participants who are on LTD in excess of Federal or State mandated family and medical leave provisions, will not be eligible for an Actual Bonus Award for the period of the LTD.

Personal Unpaid Leaves of Absence. Participants who are on a personal unpaid leave of absence, which is not covered by any of the above provisions, are not eligible for an Actual Bonus Award for the period of the personal leave of absence.

E. Transfers in and Out of the Plan

Participants who transfer in or out of a position eligible to receive an Actual Bonus Award under the Plan will be eligible for a pro-rated portion of the participant's Actual Bonus Award based on the number of months they qualified for participation under the Plan during the applicable Plan Year.

VIII. Payout Date

The Payout Date for Actual Bonus Awards is made in the calendar year following the applicable Plan Year, on or before March 15th of such following calendar year, to all participants who remain eligible as of the Payout Date, including those on any type of leave of absence and those whose employment has previously terminated on account of death but who are eligible for an Actual Bonus Award per the terms of the Plan.

IX. Termination, Suspension or Modification and Plan Administration

The Board of Directors may terminate, suspend or modify (and if suspended, may reinstate with or without modification) all or part of the Plan at any time, with or without notice to participants. The Compensation Committee has sole authority to administer or interpret the Plan, and the Compensation Committee retains its right to exercise discretion as it sees fit. Notwithstanding anything herein to the contrary, the Board of Directors may determine that no Actual Bonus Awards shall be paid hereunder for a particular Plan Year or to a particular participant or participants, notwithstanding the level of achievement of Corporate and/ or Individual Performance for such Plan Year.

The Compensation Committee reserves the exclusive right to determine eligibility to participate in this Plan and to interpret all applicable terms and conditions, including eligibility criteria, performance objectives and payment conditions, for the Company's executive officers. The Compensation Committee delegates to each of the Company's Chief Executive Officer, President, highest human resources officer and highest finance officer the authority to administer, and determine eligibility to participate in, the Plan and interpret all applicable terms and conditions for employees who are not executive officers of the Company. The determinations and interpretations of the Compensation Committee and its delegates will be conclusive.

All Actual Bonus Awards are paid from the Company's general assets. No trust, account or other separate collection of amounts will be established for the payment of Actual Bonus Awards under the Plan. Actual Bonus Awards are unfunded obligations of the Company, so if and when an Actual Bonus Award becomes due, a participant's rights to payment are no greater than the rights of a general unsecured creditor.

X. Other Terms

Section 409A It is intended that this Plan comply with or be exempt from Section 409A of the Internal Revenue Code of 1986 (the "Code"), and the Treasury Regulations and IRS guidance thereunder (collectively referred to as "Section 409A"), and notwithstanding anything to the contrary herein, it shall be administered, interpreted, and construed in a manner consistent with Section 409A. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Plan on account of termination of a participant's employment shall be made unless and until the participant incurs a "separation from service" within the meaning of Section 409A. If and to the extent any portion of any payment, compensation or other benefit provided to a participant in connection with the participant's employment termination is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, and the participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination participants hereby agree to be bound, such portion of the payment, compensation or other benefit shall not be paid before the earlier of (i) the expiration of the six month period measured from the date of the participant's "separation from service" (as determined under Section 409A of the Code) or (ii) the tenth day following the date of the participant's death following such separation from service (the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to the participant during the period between the date of separation from service and the New Payment Date shall be paid in a lump sum in the first payroll period beginning after such New Payment Date. Notwithstanding anything herein to the contrary, the Company shall have no liability to any Plan participant or to any other person in the event that the payments that may be earned hereunder do not comply with or are not exempt from Section 409A.

Withholding. The Company shall withhold from any Actual Bonus Award any federal, state and local income, employment, other similar taxes, or 401(k) deferrals as may be required to be withheld pursuant to any applicable law, regulation, or Company 401(k) policy.

At-Will Employment. This document sets forth the terms of the Plan and is not intended to be a contract or employment agreement between you or any other participant and the Company. Nothing in this Plan shall alter the at-will nature of your employment. You are free to resign at any time, and for any or no reason. Similarly, the Company is free to terminate its employment relationship with you at any time, with or without cause.